

**INTERNATIONAL BIOTECHNOLOGY TRUST PLC (the "Company")**  
**Interim Management Statement (Unaudited)**  
**For the three months ended 31 May 2009**

**Introduction**

The Board of International Biotechnology Trust plc is pleased to announce its Interim Management Statement ("IMS") in accordance with the requirements of the UK Listing Authority's Disclosure and Transparency Rules. The IMS covers the three month period ended 31 May 2009, together with relevant information up to the date of publication.

**Investment Objective and Policy**

The Company's investment objective is to achieve long term capital growth by investing in high growth, development-stage biotechnology companies that are either quoted or unquoted. The Company invests in companies whose shares are considered to be good value, with experienced management and strong potential upside through the development and/or commercialisation of a product, device or enabling technology.

**Material Events**

The Company advised on Monday, 2 March 2009 that, as of 1 March 2009, BNP Paribas Secretarial Services Limited had been appointed as Company Secretary to the Company and that the Company's registered office had changed to 55 Moorgate, London EC2R 6PA.

On 20 April 2009 the Company released its Half Yearly Financial Report announcement for the six months ended 28 February 2009. As before, there was no dividend declared.

The Company made a follow on investment in the unquoted portfolio company ESBATech of £168,000 (CHF 283,000) on 6 April 2009, which had Board approval to trigger this second tranche of funding. ESBATech is a Swiss based company focused on inflammatory conditions such as osteoarthritis, and this investment brought the total invested cost in the company to £1.04m with a value of £1.4m.

On 24 April 2009 the Company noted the following change to the value of the unquoted portfolio company - Ricerca Biosciences ("Ricerca"). Ricerca is valued on an EBITDA basis and although the company's financial position is strong, the comparative public market comparators continued to be weak and had resulted in a calculated EBITDA valuation drop from £882k to £622k. This reduced the Company's net asset value ("NAV") by £260k, representing 0.4pence per share. This valuation change was reflected in the Company's NAV announcement with effect from 24 April 2009.

On 6 May 2009 the Company announced that the Directors' valuation of a holding in an unquoted company which could not be named had been changed to reflect a signed Letter of Intent ("LOI") to buy the company by an independent external party which, if successful, would likely result in a realisation during the following three months. The valuation had been changed from £1.0m to £1.1m to take in to account the value of the LOI, adjusted down for the risk of non-completion and the likely valuation of the business were it to raise another round of investment if the sale were to fail. This valuation change was incorporated into the NAV of the Company from 6 May 2009 and reflected in the Company's NAV announcements with effect from 7 May 2009. Following this release, on 11 June 2009, the Company announced that the LOI had been withdrawn and a new round of externally priced funding was being raised. The valuation of this new round of funding, indicated by a term sheet from a reputable venture capital firm, was above that of the valuation currently held for the company in the portfolio. The Company advised that no change to the valuation of the unquoted portfolio company - which remains at £1.1m or 1.2% of NAV - would be made until the new round of funding was in place.

On 11 May 2009 the Company reported that on 8 May 2009 portfolio company VNUS Medical Technologies announced it had signed a definitive agreement with Covidien to be acquired for \$29 per share in an all cash offer. The terms valued VNUS Medical Technologies at \$440m net of cash acquired, and represented a premium of 36% to the previous day's closing share price. Furthermore, as at close of business on 7 May 2009, the Company's investment in VNUS Medical Technologies represented 1.7% of the Company's NAV. Incorporating the terms of the agreement into the NAV would have added 0.9p or 0.6% to the Company's NAV on that day. The transaction is subject to customary closing conditions, including receipt of certain regulatory approvals, and was completed on 17 June 2009.

The Company announced a follow on investment in the UK based unquoted portfolio company RespiVert on 1 June 2009 following the investment of £230k into RespiVert, which had reached the milestones necessary to trigger this second tranche of funding. RespiVert is a discovery company focused on chronic obstructive pulmonary disease and severe asthma, and this investment brings the total invested cost and current value in the company to £500k.

On 3 June 2009 the Company announced the investment of £0.11m (\$0.19m) into Lux Biosciences, as part of a \$9.2m bridge financing. Lux Biosciences is a drug discovery company focused on ophthalmic diseases. This further investment brought the total invested cost to £0.9m and current value to £1.1m.

The Company announced that one of quoted portfolio company Micromet, Inc.'s drugs, Blinatumomab, had achieved its primary endpoint in a Phase II study for Acute Lymphoblastic Leukaemia Patients. As at close of business on 5 June 2009, the Company's investment in Micromet represented £6.8m or 7.3% of the Company's NAV at a closing price of \$4.61 per share. At close of business on 9 June 2009, the share price was \$4.97 per share - a 7.8% increase in value - which represented £7.3m or 7.9% of the Company's NAV at close of business on 8 June 2009.

On 17 June 2009 the Company announced a change to the value of an unquoted portfolio company, which could not be named so as not to compromise its negotiations. The Directors' valuation of the holding in this unquoted portfolio company was decreased from £4.1m (\$6.7m) to £2.7m (\$4.4m) to reflect the company's need to raise funding to progress its successful drug development programmes.

On 2 July 2009 the Company announced the following change to the value of an unquoted portfolio company, Itero Pharmaceuticals ("Itero"). The Directors' valuation of the holding in Itero was decreased from £0.6m (\$1.0m) to £0.3m (\$0.5m) to reflect the change in the competitive position of this company's specialist area.

The Board today announces the following change to the value of an unquoted portfolio company, Entellus. The Directors' valuation of the holding in this unquoted portfolio company has been decreased from £1.2m (\$2.0m) to £0.9m (\$1.5m) to reflect the company's delayed progress and the further funding this year. This valuation change will be reflected in the Company's NAV announcements with effect from today.

There have not been any changes to the Company's issued share capital, which remains at 64,832,664 ordinary shares in issue.

No other material events took place in the period that had any significant impact on the financial position of the Company.

#### **Material Transactions**

No material transactions took place in the period that had any significant impact on the financial position of the Company.

#### **Company Statistics\***

	<b>31 May 2009</b>	<b>28 February 2009</b>
Total Net Asset Value	£89.2m	£89.5m
Net Asset Value (NAV) per Ordinary Share	137.6p	138.1p
Share Price	109.5p	122.3p
Share Price Premium/(Discount) to NAV	(20.4)%	(11.4)%
Total Value of Unquoted Investments	£21.8m	£24.2m
Total Number of Portfolio Holdings	63	54
Cash	£2.1m	£7.8m
Cash Committed and Reserved to Unquoted Investments	£11.4m	£11.7m

\*Data Source for all Statistical Data: HSBC/SV Life Sciences

Cumulative Performance to 31 May 2009\*\*

<b>Performance Over</b>	<b>3 mths</b>	<b>6 mths</b>	<b>1 year</b>
Share Price	(10.4)%	(1.8)%	(6.0)%
NAV	(0.4)%	(3.4)%	1.0%
Nasdaq Biotech Index Return (£)	(4.6)%	(1.3)%	4.8%
Russell Small Cap Biotech Index (£)	4.2%	5.1%	0.5%

\*\*Data Source for all Performance Data: Fundamental Data

**Portfolio Information as at 31 May 2009**  
**Ten Largest Investments**

<b>Investment</b>	<b>Weighting (% NAV)</b>	<b>Country</b>
Micromet	6.71	USA
Celgene	4.59	USA
Gilead Sciences	4.38	USA
Amgen	4.30	USA
Oxagen	4.24	UK
Wright Medical Group	3.13	USA
Alexion Pharmaceuticals	3.00	USA
Halozyme Therapeutics	2.71	USA
EV3	2.65	USA
Celera	2.53	USA

**Sector Allocation (Plus Cash Committed)**

<b>Sector</b>	<b>Weighting (% NAV)</b>
Biotechnology	49.7%
Pharmaceuticals	22.7%
Medical Equipment	21.5%
Medical Supplies	1.4%
Other	2.3%
Cash	2.4%

**Cash committed and reserved to unquoted investments 12.8%**

**General Company Information**

SEDOL Code	045593
Sector	Sector Specialist - Biotechnology
Launch Date	May 1994
Financial Year End	31 August
Next Continuation Vote	2009 AGM

A copy of this IMS is available on the Company's website at: [www.internationalbiotrust.com](http://www.internationalbiotrust.com)

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